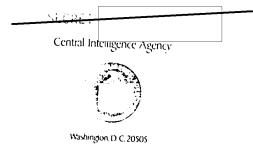


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DIRECTORATE OF INTELLIGENCE 1 April 1985

IRAN: STATUS OF OPPOSITION GROUPS

Summary

The Khomeini regime is facing its greatest challenges since securing control of Iran. Factionalism within the regime, dwindling oil income, and the recent military setbacks are causing increased domestic unrest. Nonetheless, organized opponents of the regime--both within and outside Iran--appear to lack sufficient strength to exploit the regime's problems. Opposition groups inside Iran remain on the defensive because of harsh government repression. Regime opponents in exile have little support in Iran and continue to bicker among themselves. Rather than opposition groups, we believe factions within the regime have a better chance of gaining control and altering Iranian policies. Iran's mounting economic problems and war weariness, however, are creating conditions that could permit a <u>non-clerical coalition</u> to coalesce and gain popular support.

Long-running power struggles within the Khomeini regime are intensifying, both because of the Ayatollah's failing health and because the regime faces serious problems with the economy and in the war with Iraq.

This paper was prepared by Asian Analysis, Persian Gult Division. Comments may be directed to the Chief, Persian Gulf Divisi	e of Near Eastern and South and queries are welcome and on
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6 December 1985

MEMORANDUM

SUBJECT: The Iranian Political Scene

Since late 1984, the Khomeini regime has been facing--and generally dealing effectively with--its greatest challenges since consolidating control of Iran in mid-1981. Factionalism within the regime and Khomeini's failing health, economic stagnation and dwindling oil income, war-weariness and Iraqi attacks contributed to increased domestic unrest. Popular demonstrations early this year and other signs of dissent have been ruthlessly suppressed, however, and the populace seems cowed. Moreover, Khomeini has intervened in the political process to balance factional interests and has given preference to pragmatic policies that weaken the radicals and strengthen their moderateconservative opponents. Tehran has maintained oil exports in the face of repeated Iraqi attacks on Kharq Island and ensured that the lower classes who support clerical rule are adequately supplied with necessary goods and services. The regime's principal challenge in the near term will be to manage popular dissatisfaction and prevent it from spawning an effective anti-regime movement.

PRINCIPAL PLAYERS

- 2. The Iranian leadership is split by ideological, personal, and generational differences. One major faction, the radicals, favors greater government control of the economy, aggressive export of the revolution -including use of terrorism--and continuation of the war. Another main faction, a moderate/conservative coalition, seeks to limit government involvement in economic matters, generally opposes violent export of the revolution, and favors a negotiated end to the war.
- Some of the most important Iranian leaders--such as Khomeini's recently named heir, Ayatollah Montazeri and Consultative Assembly Speaker Rafsanjani--are pragmatists who support the conservatives on some issues and the radicals on others. Khomeini himself has increasingly tended to fit this description and to support a middle course-except on the war, which he insists must continue until Iraqi President Saddam Husayn falls. Besides Khomeini, the major players are:

Pragmatists

-- Ayatollah Montazeri, a senior cleric in his sixties who has increasingly taken on important duties delegated by Khomeini. Labeled a radical in the early years of the regime, he has become a leading spokesman for more moderate policies and may be arguing for an end to the war. He has strongly criticized the USSR and the US but also has suggested publicly that renewed relations with the US are possible.

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